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**Report of the Director of Neighbourhoods and Housing**

**Executive Board**

**Date: 14<sup>th</sup> March 2007**

**Subject: Progress on regeneration and development issues within South Leeds**

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**Electoral Wards Affected:**

**City and Hunslet  
Beeston and Holbeck**

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

x

Not Eligible for Call In

(Details contained in the report)

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**EXECUTIVE SUMMARY**

On the 19<sup>th</sup> April 2006, the Executive Board

- Agreed the principle of developing a comprehensive South Leeds regeneration scheme
- Approved the submission of an Expression of Interest proposal for Beeston Hill and Holbeck relating to central government's Housing PFI fifth bidding round, and the inclusion of a range of potential development opportunities owned by the Council within this scheme (focused on the area shown on the plan in Appendix 2 of this report)

The Council has now been advised that the outline Housing PFI scheme for Beeston Hill and Holbeck, although not approved, has been given first priority status on a reserve list to be allocated future PFI credits.

This report assesses the key issues that will need to be addressed in developing the Round 5 PFI scheme and requests Members to authorise the preparation of a Regeneration Investment Plan for South Leeds.

**1.0 Purpose Of This Report**

- 1.1 The purpose of the report is to seek Members support to the principles that will underpin the development of a regeneration strategy for the South Leeds area which includes the communities of Holbeck, Beeston Hill, West Hunslet, Belle Isle

and Middleton, with a view to detailed proposals being presented to a future meeting of the Board in the summer of 2007.

- 1.2 Following the decision of the Department of Communities and Local Government (DCLG) to place the Beeston Hill and Holbeck Housing PFI scheme on a priority reserve list (reported to the February 2007 meeting of the Executive Board), this report outlines the key issues that will need to be addressed in developing the Housing PFI scheme, in the context of emerging regeneration proposals for the wider South Leeds area.
- 1.3 The PFI scheme forms an integral part of regeneration proposals for South Leeds. If the scheme goes ahead, it will complement other proposals that are emerging, but if PFI credits are not made available, the regeneration principles of the scheme outlined in the Expression of Interest bid will be embraced as part of overall proposals for South Leeds.

## **2.0 Background Information**

- 2.1 A decision on the £90 million Housing PFI scheme was not received until the 23<sup>rd</sup> December 2006. Although the scheme has not been placed on the Housing PFI programme at this stage, it has been placed on the fifth round reserve list and will have first call on any credits that become available. The Council has been advised that it will not be necessary to resubmit the Expression of Interest (although this would be necessary if the scheme was radically changed).
- 2.2 PFI credits may become available as a result of schemes from earlier rounds not progressing, or as a result of the Government's Comprehensive Spending Review that is due to be completed in July 2007, but the results may not be known until later. Positive discussions are continuing with representatives from the DCLG regarding the development of the scheme
- 2.3 At the same time that the PFI scheme has been developed, initial proposals have been implemented to improve access to the newly constructed South Leeds High School and the sports facilities centred on the John Charles Centre for Sport, and early discussions are taking place regarding the possibility of creating a Business Improvement District/Learning Campus in the Parkside area. Initial feasibility work is also being undertaken in Middleton that has identified a major opportunity to link cleared Council owned land in Middleton with land at Sharp Lane, which was disposed of by the Council in 2006 and is being developed by a consortium of housebuilders. The relationship and interface between this major private sector scheme and the adjacent older housing areas in Middleton will need to be addressed as part of regeneration proposals that are being developed for the area.
- 2.4 The challenge will be for the Council and its partners to integrate the proposals outlined above with other initiatives, such as the proposal to create a Business Incubator and Enterprise Centre based on the former Hillside Primary School in Beeston as part of the Council's Local Economic Growth Initiative (LEGI) and neighbourhood management improvements, to ensure that the benefits for South Leeds are optimized and proposals to address regeneration objectives have clearly been established.

### **3.0 KEY FACTORS THAT NEED TO BE CONSIDERED IN DEVELOPING REGENERATION PROPOSALS FOR SOUTH LEEDS**

3.1 South Leeds is a large geographical area with a population of in the region of 140,000 and includes a diverse range of communities. Some areas, particularly within the inner city and parts of local authority owned housing estates are characterised by serious levels of deprivation. 33% of all households in South Leeds receive a Council administered benefit compared to the city average of 22%.

3.2 Overall there are a number of factors that will need to be addressed in developing regeneration proposals. These include:-

- Unemployment rates that are above the city average.
- Pockets of unsustainable housing and poor environmental conditions that are acting as a disincentive for investment and influence the perception of certain neighbourhoods.
- Poor levels of educational attainment and skill levels.
- High, but falling crime rates and significant levels of anti-social behaviour.
- Poor connectivity between neighbourhoods.

3.3 South Leeds however has considerable strengths and opportunities, which include:-

- The potential to benefit from the growth being experienced in Holbeck Urban Village and the expanding city centre.
- The area has a good supply of affordable housing and a range of good quality open space such as Middleton Park, Cross Flatts Park, Holbeck Moor and Hunslet Moor.
- South Leeds has excellent accessibility to the motorway network, has opportunities for growth and is close to the major employment opportunities that will be developed in the Aire Valley.
  
- The area has potential for new commercial development, and as outlined above forms part of the focus of the 'Sharing the Success' LEGI proposals which are based on the central concept of enterprise led regeneration.
- The area has first class sports facilities that are being developed at the John Charles Centre for Sport immediately adjacent to the recently opened South Leeds High School.

3.4 Market testing carried out as part of the development of the PFI scheme has demonstrated clear interest from the private sector in potential development opportunities and the way they relate to regeneration proposals being developed, and the Sharp Lane development in the south area, which will result in the construction of 1286 dwellings is demonstrating that there is current demand for private sector housing development in this part of the city. The long term impact of Sharp Lane on the South Leeds housing market will however need to be assessed.

### **4.0 MAIN POINTS**

4.1 The needs of South Leeds outstrip planned levels of investment, and major funding streams such as the Neighbourhood Renewal Fund are coming to an end. The scale of intervention required to achieve effective, long-lasting and sustainable change throughout South Leeds will require massive levels of new investment. Whilst there is a prospect of securing Housing PFI credits for the Beeston Hill and Holbeck scheme, the Council should pursue this option, and Members are

requested to authorise the preparation of an Outline Business Case for the scheme at risk, in consultation with the DCLG's Housing PFI Team. It is envisaged that a final decision on the availability of additional PFI credits may not be made until the summer of 2007, and progress on this issue will be reported to future meetings of the Board.

- 4.2 There is in any case a requirement for Leeds South and South East Homes to take decisions about unsustainable elements of its housing stock and for the Council and its partners to develop comprehensive proposals that will address the issues outlined in paragraph 3.2 above, which will require a range of interventions.
- 4.3 Members are asked to approve the preparation of a Regeneration Investment Plan for South Leeds, which will identify strategic and local regeneration objectives and key priorities for action. This work will determine the type(s) of intervention(s) and scale of transformation that will be required, which in turn will determine the most appropriate mechanism or mechanisms for delivering the objectives.
- 4.4 The overall objectives of the scheme, which have been approved by the South Leeds Inner Area Committee are to
- Create mixed tenure and mixed income neighbourhoods in South Leeds, and ensure that there is an adequate supply of affordable housing.
  - Improve educational attainment and the creation of new training/employment opportunities.
  - To look at opportunities available in the area to address social exclusion, disadvantage and inequalities being experienced by people living in South Leeds.
  - To create a sense of identity and place for individual neighbourhoods within the area.
  - To increase choice and improve the quality of life for people living within South Leeds and improve service delivery.
  - To encourage and promote cross-sector and inter-agency working to achieve regeneration objectives.
  - To attract new investment and create investor confidence for the wider South Leeds area and underpin long-term partnership working.
- 4.5 Specific priorities that will form the main focus of the South Leeds Regeneration Investment Plan are :-
- To deliver the proposals outlined in the Beeston Hill and Holbeck PFI scheme and improve connectivity between Holbeck and Holbeck Urban Village and the City Centre.
  - To develop and progress a scheme that will integrate the major private sector housing development at Sharp Lane, Middleton with adjacent older housing areas.
  - To strengthen the role of the Parkside industrial area and the John Charles Centre for Sport and South Leeds High School as an employment/recreation/learning campus and improve accessibility from adjacent communities.
- 4.6 The integration of the Sharp Lane development in Middleton with the adjacent housing areas will be critical to achieving regeneration objectives for this area, and proposals to achieve these objectives are being jointly developed by the Development and Neighbourhoods and Housing Departments. A number of former

Council owned properties have been cleared, and there is an opportunity for this cleared land to form the basis for developing new housing that could connect with the Sharp Lane site. A key objective is to construct a new access road that will link these two areas, through a Council owned site that is marked as A on the plan attached in Appendix 1. This was a site that was reserved for a new primary school that is no longer required for this purpose. Members are requested to approve the principle that the site is retained in the Council's ownership until planning issues relating to the potential development of these areas have been assessed.

- 4.7 Detailed consultation has commenced with key stakeholders and residents, with a view to reporting recommendations on a preferred strategy for South Leeds to the Executive Board in the summer of 2007, by which time hopefully some clarity will have been achieved regarding the PFI scheme for Beeston Hill and Holbeck. This consultation will need to assess the relationship with the proposed Affordable Housing Special Purpose Delivery Vehicle that is also being developed by the Council.

## **5.0 Policy context**

- 5.1 The improvement of parts of South Leeds and the Beeston Hill and Holbeck area in particular is a corporate priority for the Council, which is identified in the Vision for Leeds 2004-2020, the Corporate Plan 2005-8, and the Leeds Regeneration Plan 2005-2008. The area is a designated Neighbourhood Renewal Area. There is reference in the Unitary Development Plan to the need to regenerate parts of the area and in 2005 the Executive Board approved a Land Use Framework for Beeston Hill and Holbeck as Supplementary Planning Guidance.
- 5.2 Planning policy for this area of the city is established by the UDP and UDP Review, and several parts of the area are within the Green Belt. The influence of these policies on the development of regeneration proposals for South Leeds will require further consideration.

## **6.0 Governance and proposed consultation**

- 6.1 The Project is being governed and managed by a structure that includes
- The Council's Asset Management Group and Executive Board
  - A Housing PFI Board and a PPP/PFI Coordination Board within the Council that provides guidance on the development of PFI and PPP projects
  - The South Leeds District Partnership
  - The Council's South Inner Area Committee
  - The Board of Leeds South and South East Homes
  - A Regeneration Partnership Board for Beeston Hill and Holbeck
  - A Regeneration Board for Middleton
  - A range of established Forums and resident/tenant groups throughout the area
- 6.2 Over the next four months, proposals for South Leeds will be developed in consultation with Executive Members, Ward Members and key stakeholder groups such as the South Leeds District Partnership, the Beeston Hill and Holbeck

Regeneration Partnership Board, the Middleton Partnership Board and tenant/resident groups within the area.

## **7.0 Legal and Resource Implications**

- 7.1 Overall regeneration proposals for South Leeds are being developed by a multi-disciplinary team led by the Neighbourhoods and Housing Department, with significant input from the Development Department, but other Council Departments are also being engaged as part of the process. The Housing PFI scheme is led and managed by the Regeneration Projects Team in the Neighbourhoods and Housing Department and technical advice and assistance continues to be provided by the PPP Unit within the Chief Executive's Department.
- 7.2 Reports on land issues within South Leeds are being considered by the Asset Management Group and are being developed in consultation with a wide range of interests.

## **8.0 Conclusions**

- 8.1 Significant areas of South Leeds experience high levels of deprivation, social problems and have a poor living environment and improving the Beeston Hill and Holbeck area is a Corporate priority for the Council. Although the area has seen investment over the last 5 years, this has not been of the scale and level of integration required to achieve the transformational change needed to address nationally significant levels of deprivation in the area. A significant step change is now required to enable a cohesive regeneration programme to be developed that will be capable of attracting the levels of public and private sector finance required.
- 8.2 If the level of PFI credits requested for the Beeston Hill and Holbeck part of the area is secured, this will assist in radically transforming the housing stock in this area, and act as a catalyst for further investment. Overall comprehensive proposals for South Leeds, that seek to maximize the use of Council land and property assets as well as external sources of funding would add considerable value in terms of the ability to contribute to greenspace, highway and other infrastructure improvements through agreements with a private sector development partner. This type of comprehensive approach will also assist the Council in dealing with housing market renewal issues associated with the older privately owned stock within the area and addressing issues relating to the improvement of educational attainment, reducing crime levels and creating employment opportunities which are central to the aspiration of achieving sustainable mixed communities.

## **9.0 Recommendations**

Members of the Executive Board are requested to:-

1. Note the DCLG's decision on the Beeston Hill and Holbeck Round 5 Housing PFI scheme
2. Approve the preparation of an Outline Business Case for the Beeston Hill and Holbeck PFI scheme.
3. Endorse the preparation of a Regeneration Investment Plan for South Leeds, which includes the specific priorities of
  - Developing and progressing regeneration proposals for the Beeston Hill and Holbeck. area

- Developing and progressing a scheme that will Integrate the major private sector housing development at Sharp Lane, Middleton with adjacent older housing areas
  - Strengthening the role of the Parkside industrial area and the John Charles Centre for Sport and South Leeds High School as an employment/recreation/learning campus and improving accessibility from adjacent communities.
4. Authorise the retention of the Council owned land off Throstle Road, Middleton marked as A on the plan attached in Appendix 1 of this report, until the potential to integrate the development of adjacent areas has been assessed.